

Coddington Parish Council  
Flawford Cottage  
Coddington  
Newark  
NG24 2QY

### **INTERNAL AUDIT REPORT TO THE MEMBERS OF CODDINGTON PARISH COUNCIL**

Following the receipt of the minutes book, financial records, bank statements and other documents I have now had the opportunity to analyse and interpret the data gathered.

The accounts are prepared on a receipts and payments basis.

The Council's payments are made by cheque with two councillors authorising each payment and initialling the check stubs. Invoices are signed/initialled by members.

I spot checked six transactions. These were correctly recorded and arithmetically correct.

A ledger kept on a spreadsheet was maintained and up to date. Only printouts and no electronic files of the cashbook were provided for scrutiny. All sampled payments were supported by invoices or other evidence. A list of all payments is published on the website. The current format allows individual salaries to be identified. The Council should consider reporting on all salary costs including payments to HMRC as one sum to protect personal data. Publishing individual salaries breaches data protection rules. This has been highlighted in a previous report.

During 2018-19 no payments were made to HMRC. Whilst larger employers usually pay monthly, its common for smaller employers to pay quarterly, but no HMRC payment was recorded throughout the 2018-19 financial year. The payment records do not include payslips or similar evidence as to the salaries and PAYE/Nics paid. A detailed record should be kept – though not published. I have seen no evidence of real time information (RTI) being submitted. Failure to report on time may result in penalties. Please see <https://www.gov.uk/guidance/what-happens-if-you-dont-report-payroll-information-on-time> for details.

I note, that an HMRC payment has been authorised in March 2019 but have not been able to reconcile this with the P60 on file.

The minutes are informative and well written. Payments to be authorised are listed.

All Section 137 payments should be recorded separately and minuted accordingly. £520 have been identified as S137 payments but I have only been able to find £250 thus minuted. The payments allocated to section 137 are well within the limit of £7.86 per elector.

The minutes are signed dated by the presiding chairman on each page.

The Council has reviewed its Risk Management Policy and insurance cover.

The Council has no committees.

The Council does not operate a petty cash account. Samples of reimbursement payments to the clerk were accurate and within normal limits.

Finally, may I thank the Clerk for her assistance and co-operation during this internal audit.



Belina Boyer PSLCC  
15 June 2019

# INVOICE

**DATE** June 15, 2019

P.O. #

Make all checks payable to Belina Boyer  
Payment is due within 30 days.  
If you have any questions concerning this invoice, contact  
Belina Boyer | 07772973411 | [belinaboyer@outlook.com](mailto:belinaboyer@outlook.com)

THANK YOU FOR YOUR BUSINESS!



# Internal Audit Checklist

Name of Council	Coddington Parish Co.	Name of Clerk:	Yvette Wellard
No. of councillors	10 (currently 8)	Name of RFO (if different)	
Quorum	4 (6 for planning)	Precept	£14,900
Electorate		Gross budgeted income	£21,470

## 1. Book Keeping

1.1	Ledger maintained and up to date?	Yes	No	
1.2	Arithmetic correct?	Yes	No	
1.3	Evidence of internal Control?	Yes	No	
1.4	VAT evidence, recording and reclaimed?	Yes	No	
1.5	Payments in ledger supported by invoices, authorised and minuted? (see schedule)	Yes	No	
1.6	S137 separately recorded and within limits?	Yes	No	Put not all minuted/recorded
1.7	S137 expenditure of direct benefit to electorate?	Yes	No	

## 2. Due Process

2.1	Standing Orders adopted?	Yes	No	
2.2	Standing Orders reviewed at annual meeting?	Yes	No	
2.3	Financial Regulations adopted?	Yes	No	
2.4	FRs properly tailored to council?	Yes	No	
2.5	Equal Opportunities policy adopted?	Yes	No	
2.6	RFO appointed?	Yes	No	
2.7	List of member interests held?	Yes	No	
2.8	Agendas signed, informative and displayed with 3 clear days notice?	Yes	No	
2.9	Purchase orders raised for all expenditure?	Yes	No	N/A
2.10	Purchasing authority defined in FRs?	Yes	No	
2.11	Legal powers identified in minutes and/or cashbook?	Yes	No	Only S 137
2.12	Committee terms of reference exist and have been reviewed?	Yes	No	N/A

## 3. Risk Management

3.1	Does scan of minutes reveal any unusual activity?	Yes	No	
3.2	Annual risk assessment carried out?	Yes	No	
3.3	Insurance cover appropriate and adequate?	Yes	No	
3.4	Evidence of annual insurance review?	Yes	No	
3.5	Internal financial controls documented and evidenced?	Yes	No	
3.6	Minutes initialled, each page identified and overall signed?	Yes	No	
3.7	Regular reporting and minuting of bank balance?	Yes	No	
3.8	S137 expenditure minuted?	Yes	No	

## 4. Budget

4.1	Annual budget to support precept?	Yes	No	
4.2	Has budget been discussed and adopted by council?	Yes	No	
4.3	Any reserves earmarked?	Yes	No	
4.4	Any unexplained variances from budget?	Yes	No	
4.5	Precept demand correctly minuted?	Yes	No	2018-01-04/8c



## 5. Payroll — Clerk

5.1	Contract of employment?	Yes	No	
5.2	Tax code issued / contracted out?	Yes	No	
5.3	PAYE / NI evidence?	Yes	No	NO PAYE payed during financial year
5.4	Has council approved salary paid?	Yes	No	
5.5	Other payments reasonable and approved by council?	Yes	No	

## 6. Payroll — Other

6.1	Contract of employment?	Yes	No	
6.2	Does council have public liability cover?	Yes	No	
6.3	Tax codes issued?	Yes	No	
6.4	Minimum wage paid?	Yes	No	
6.5	Complaints procedure in place?	Yes	No	
6.6	Pensions – auto-enrolment completed	Yes	No	

## 7. Asset Control

7.1	Does council keep a register of all material assets owned?	Yes	No	
7.2	Is asset register up to date?	Yes	No	
7.3	Value of individual assets included?	Yes	No	
7.4	Inspected for risk and H&S?	Yes	No	
7.5	Record of deeds, articles and land register references available?	Yes	No	

## 8. Bank Reconciliations

8.1	Is there a bank reconciliation for each account?	Yes	No	
8.2	Reconciliation carried out on receipt of statement?	Yes	No	
8.3	Any unexplained balancing entries in any reconciliation?	Yes	No	

## 9. Year End Procedures

9.1	Year end accounts prepared on correct accounting basis?	Yes	No	
9.2	Bank statements and ledger reconcile?	Yes	No	
9.3	Underlying financial trail from records to presented accounts?	Yes	No	
9.4	Where appropriate, debtors and creditors properly recorded?	Yes	No	
9.5	Has council agreed, signed and minuted the Annual Governance and Accountability Return (AGAR)?	Yes	No	


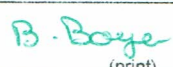
## 10. Miscellaneous

10.1	Have points raised at the last audit been addressed?	Yes	No	Partially, salaries still
10.2	Has the council adopted a Code of Conduct since July 2012?	Yes	No	
10.3	Is eligibility for General Power of Competence properly evidenced?	Yes	No	
10.4	Are all electronic files backed up?	Yes	No	Not known
10.5	Do arrangements for public inspection of council's records exist?	Yes	No	
10.6	If turnover less than £25k is council compliant with the Transparency Code for Smaller Authorities?	Yes	No	



Transaction Spot Check						
Check No.	1	2	3	4	5	6
Ledger date	05/04/18	7/6/18	01/8/18	5/7/18	7/3/19	7/3
Item / Budget heading	allotments	Comm centre	mowing	mowing	benches	Dog bins
Ref/cheque no.	2113	2130	2136	2140		
Order minute ref						
Delivery evidence						
Payment minute ref	8b	8c				
Invoice value	110	1770.00	420	840	410	59.28
Minute value	110	1770.00	420	840	410	59.28
Cheque value	110	1770.00	420	840	410	59.28
Statement value	110	1770.00	420	840	410	59.28
Timely payment	yes	yes				
VAT recorded	n/a	yes	Yes	yes	yes	yes
s137 recorded in ledger	n/a	n/a	n/a	n/a	n/a	n/a
s137 minuted	n/a	n/a	n/a	n/a	n/a	n/a
Notes						

Annual Return			
		Year ending 31 March 2018	Year ending 31 March 2019
1.	Balances brought forward	30,546	34,255
2.	Annual precept	14,560	14,900
3.	Total other receipts	8,895	8,574
4.	Staff costs	7,014	4,475
5.	Loan interest/capital repayments	0	0
6.	Total other payments	12,732	16,695
7.	Balances carried forward	34,225	36,559
3.	Total cash and investments	34,225	36,559
9.	Total fixed assets and long term assets	8,692	10,892
10.	Total borrowings	0	0

Internal audit carried out by	 (sign)	 (print)
Audit type (delete as appropriate)	Interim	Annual
Date	15/06/19	

For auditor's use only		
Report/letter sent to council		
Relevant page of AGAR completed and signed		